



CONCORDIA
UNIVERSITY
TENTH
ANNIVERSARY

TOP MBA STUDENT SKILLS WILL BE CHALLENGED
IN CONCORDIA MBA CASE COMPETITION

MONTREAL / January 14, 1985 -- The high tech world of the 80's has dramatically altered many concepts and principles of management, and the challenge facing business schools is to train students to cope with these rapidly-changing needs.

Four years ago Concordia University developed an innovative approach to bring students into contact with the corporate decision-makers responsible for many of these changes.

The format used is a "CASE Competition," a three day series of events that pits the minds of some of Concordia's brightest MBA students against colleagues from the rest of Canada to find solutions to some of the thornier problems facing Canadian businesses.

Each of the four sessions of the CASE competition is designed as a pragmatic analysis of the particular problems facing firms with management difficulties. The students' challenge is to clearly identify the problems and recommend solutions. The judging is done by a blue-ribbon panel of top business executives.

Canada's other universities have been quick to realize the importance of the competition, and it is now a national event. This year, 16 schools from coast to coast will be sending teams.

The competitions will be held from Thursday, January 24th, 1985 to Saturday, January 26th, 1985, in the Henry F. Hall Building, 1455 de Maisonneuve Boulevard West.

The opening session will be held from 10:30 to 12:30 on Thursday, January 24/85, in Room 620. The finals will be held from 16:00 to 19:00 on Saturday January 26th, in Room 110.

For further information contact LIZANNE WINSER, Director, Concordia University MBA Program (514) 879-4273, or ELISA KLEIN, Case Competition Co-Ordinator, (879-2896).

University Participation

University of Alberta
Concordia University
Dalhousie University
Université de Laval
McGill University
McMaster University
Memorial University
Université de Moncton
Université de Montréal
University of Ottawa
Université du Québec à Montréal
Queen's University
Université de Sherbrooke
University of Toronto
University of Windsor
York University

EXAMPLE OF AN MBA CASE PROBLEM

IMASCO LIMITED

1981

DECISIONS WHICH MUST BE TAKEN: WHETHER OR NOT TO PURCHASE THE AMERICAN FAST SERVICE RESTAURANT CHAIN, BURGER CHEF SYSTEMS

Arguments for the purchase:

Would permit Imasco's U.S. restaurant division, Hardee's Food Systems Inc., to expand more rapidly than seemed otherwise possible

- *Locations complement Hardee's
- *Cost less than building from scratch
- *Larger operation would support more effective and lower cost marketing

Arguments against the purchase:

- *Large allocation of funds (\$40-50 Million U.S.)
- *Further shift of resources to the U.S.

IMASCO

Company situated in Canada, composed of three divisions:

1)Imperial Tobacco 2)Imasco Retail 3)Imasco Foods

Original company goal:

To reduce tobacco related profits to less than 50% of consolidated profits (in 1981 tobacco related profits = 63% of consolidated earnings)

Diversification plans were complicated by FIRA (Foreign Investment Review Act). The impact of FIRA was not so much to deny acquisitions in Canada to Imasco as to complicate the process, increase the cost and reduce the opportunities available.

Imperial Tobacco

Market share is 49% of the cigarette market. Market share of the light cigarettes is 58% of the total light market segment. The dollar growth rate in sales from 1970-80 has been 9.5%.

Environment: *% of population smoking has been decreasing

*from 1970-80 % increase in the costs of cigarettes is 93.2%

% increase in the price to the consumer is 64.6%

*price increases tended to have only a short term effect on demand, however ability of manufacturers to influence industry price levels was limited.

Future:

The division was planning to nearly double capacity over 5 years with a \$120 million investment. It is shooting for an overall market share of 60%.

Hardee's

Its market is composed of young adults and families.

Goal: to open 50 company-owned and 100 franchised units per year for the next 5 years.

3 major competitors are: 1)McDonald's 2)Burger King 3)Wendy's

McDonald's

Market: children, teens, and young families

McDonald's far outdistances its contenders in sales, number of units and promotional spending.

Furthermore, MacDonald's scale, experience and operating style permitted it to operate at significantly lower costs than its competition.

Burger King & Wendy's

Market: young adults

Burger Chef

Burger Chef is presently owned by General Foods. It has 250 company units and 450 franchised units. There are approximately 60 conflicts between existing Hardee's units and Burger Chef units.